

LOCAL OPTION SALES AND USE TAX DISTRIBUTION**FORMULA AMENDMENTS**

2018 GENERAL SESSION

STATE OF UTAH

LONG TITLE**General Description:**

This bill modifies provisions relating to the distribution of certain local option sales and use tax revenue.

Highlighted Provisions:

This bill:

- ▶ amends definitions;
- ▶ repeals and amends provisions relating to the distribution of sales and use tax revenue for certain fiscal years; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:**AMENDS:**

59-12-205, as last amended by Laws of Utah 2017, Chapters 230 and 385

59-12-302, as last amended by Laws of Utah 2016, Chapter 364

59-12-354, as last amended by Laws of Utah 2016, Chapter 364

59-12-403, as last amended by Laws of Utah 2016, Chapter 364

59-12-603, as last amended by Laws of Utah 2017, Chapter 178

59-12-703, as last amended by Laws of Utah 2017, Chapters 181 and 422

59-12-802, as last amended by Laws of Utah 2017, Chapter 422

59-12-804, as last amended by Laws of Utah 2017, Chapter 422

59-12-1102, as last amended by Laws of Utah 2016, Chapter 364

59-12-1302, as last amended by Laws of Utah 2017, Chapter 422

32 **59-12-1402**, as last amended by Laws of Utah 2017, Chapter 422
33 **59-12-2103**, as last amended by Laws of Utah 2017, Chapter 422
34 **59-12-2206**, as last amended by Laws of Utah 2017, Chapter 160

35

Be it enacted by the Legislature of the state of Utah:

36 Section 1. Section **59-12-205** is amended to read:

37 **59-12-205. Ordinances to conform with statutory amendments -- Distribution of**
38 **tax revenue -- Determination of population.**

39 (1) To maintain in effect sales and use tax ordinances adopted pursuant to Section
40 59-12-204, a county, city, or town shall adopt amendments to the county's, city's, or town's
41 sales and use tax ordinances:

42 (a) within 30 days of the day on which the state makes an amendment to an applicable
43 provision of Part 1, Tax Collection; and

44 (b) as required to conform to the amendments to Part 1, Tax Collection.

45 (2) Except as provided in Subsections (3) through (6) and subject to Subsection (7):

46 (a) 50% of each dollar collected from the sales and use tax authorized by this part shall
47 be distributed to each county, city, and town on the basis of the percentage that the population
48 of the county, city, or town bears to the total population of all counties, cities, and towns in the
49 state; and

50 (b) (i) except as provided in Subsection (2)(b)(ii), 50% of each dollar collected from
51 the sales and use tax authorized by this part shall be distributed to each county, city, and town
52 on the basis of the location of the transaction as determined under Sections 59-12-211 through
53 59-12-215; and

54 (ii) 50% of each dollar collected from the sales and use tax authorized by this part
55 within a project area described in a project area plan adopted by the military installation
56 development authority under Title 63H, Chapter 1, Military Installation Development
57 Authority Act, shall be distributed to the military installation development authority created in
58 Section 63H-1-201.

59 (3) (a) Beginning on July 1, 2017, and ending on June 30, 2022, the commission shall
60 distribute annually to a county, city, or town the distribution required by this Subsection (3) if:

61 (i) the county, city, or town is a:

(A) county of the third, fourth, fifth, or sixth class;

(B) city of the fifth class; or

(C) town;

(ii) the county, city, or town received a distribution under this section for the calendar year beginning on January 1, 2008, that was less than the distribution under this section that the county, city, or town received for the calendar year beginning on January 1, 2007;

(iii) (A) for a county described in Subsection (3)(a)(i)(A), the county had located within the unincorporated area of the county for one or more days during the calendar year beginning on January 1, 2008, an establishment described in NAICS Industry Group 2121, Coal Mining, or NAICS Code 213113, Support Activities for Coal Mining, of the 2002 North American Industry Classification System of the federal Executive Office of the President, Office of Management and Budget; or

(B) for a city described in Subsection (3)(a)(i)(B) or a town described in Subsection (3)(a)(i)(C), the city or town had located within the city or town for one or more days during the calendar year beginning on January 1, 2008, an establishment described in NAICS Industry Group 2121, Coal Mining, or NAICS Code 213113, Support Activities for Coal Mining, of the 2002 North American Industry Classification System of the federal Executive Office of the President, Office of Management and Budget; and

(iv) (A) for a county described in Subsection (3)(a)(i)(A), at least one establishment described in Subsection (3)(a)(iii)(A) located within the unincorporated area of the county for one or more days during the calendar year beginning on January 1, 2008, was not the holder of a direct payment permit under Section 59-12-107.1; or

(B) for a city described in Subsection (3)(a)(i)(B) or a town described in Subsection (3)(a)(i)(C), at least one establishment described in Subsection (3)(a)(iii)(B) located within a city or town for one or more days during the calendar year beginning on January 1, 2008, was not the holder of a direct payment permit under Section 59-12-107.1.

(b) The commission shall make the distribution required by this Subsection (3) to a county, city, or town described in Subsection (3)(a):

(i) from the distribution required by Subsection (2)(a); and

(ii) before making any other distribution required by this section.

(c) (i) For purposes of this Subsection (3), the distribution is the amount calculated by

94 multiplying the fraction calculated under Subsection (3)(c)(ii) by \$333,583.

95 (ii) For purposes of Subsection (3)(c)(i):

96 (A) the numerator of the fraction is the difference calculated by subtracting the
97 distribution a county, city, or town described in Subsection (3)(a) received under this section
98 for the calendar year beginning on January 1, 2008, from the distribution under this section that
99 the county, city, or town received for the calendar year beginning on January 1, 2007; and

100 (B) the denominator of the fraction is \$333,583.

101 (d) A distribution required by this Subsection (3) is in addition to any other distribution
102 required by this section.

103 ~~[(4)(a) For fiscal years beginning with fiscal year 1983-84 and ending with fiscal year~~
104 ~~2005-06, a county, city, or town may not receive a tax revenue distribution less than .75% of~~
105 ~~the taxable sales within the boundaries of the county, city, or town.]~~

106 ~~[(b) The commission shall proportionally reduce monthly distributions to any county,~~
107 ~~city, or town that, but for the reduction, would receive a distribution in excess of 1% of the~~
108 ~~sales and use tax revenue collected within the boundaries of the county, city, or town.]~~

109 ~~[(5)(a) As used in this Subsection (5):]~~

110 ~~[(i) "Eligible county, city, or town" means a county, city, or town that receives \$2,000~~
111 ~~or more in tax revenue distributions in accordance with Subsection (4) for each of the~~
112 ~~following fiscal years:]~~

113 ~~[(A) fiscal year 2002-03;]~~

114 ~~[(B) fiscal year 2003-04; and]~~

115 ~~[(C) fiscal year 2004-05.]~~

116 ~~[(ii) "Minimum tax revenue distribution" means the greater of:]~~

117 ~~[(A) the total amount of tax revenue distributions an eligible county, city, or town~~
118 ~~receives from a tax imposed in accordance with this part for fiscal year 2000-01; or]~~

119 ~~[(B) the total amount of tax revenue distributions an eligible county, city, or town~~
120 ~~receives from a tax imposed in accordance with this part for fiscal year 2004-05.]~~

121 ~~[(b)(i) Except as provided in Subsection (5)(b)(ii), beginning with fiscal year 2006-07~~
122 ~~and ending with fiscal year 2012-13, an eligible county, city, or town shall receive a tax~~
123 ~~revenue distribution for a tax imposed in accordance with this part equal to the greater of:]~~

124 ~~[(A) the payment required by Subsection (2); or]~~

125 ~~[(B) the minimum tax revenue distribution.]~~

126 ~~[(ii) If the tax revenue distribution required by Subsection (5)(b)(i) for an eligible~~
127 ~~county, city, or town is equal to the amount described in Subsection (5)(b)(i)(A) for three~~
128 ~~consecutive fiscal years, for fiscal years beginning with the fiscal year immediately following~~
129 ~~that three consecutive fiscal year period, the eligible county, city, or town shall receive the tax~~
130 ~~revenue distribution equal to the payment required by Subsection (2).]~~

131 ~~[(c) For a fiscal year beginning with fiscal year 2013-14 and ending with fiscal year~~
132 ~~2015-16, an eligible county, city, or town shall receive the minimum tax revenue distribution~~
133 ~~for that fiscal year if for fiscal year 2012-13 the payment required by Subsection (2) to that~~
134 ~~eligible county, city, or town is less than or equal to the product of:]~~

135 ~~[(i) the minimum tax revenue distribution; and]~~

136 ~~[(ii) .90.]~~

137 ~~[(6)]~~ (4) (a) As used in this Subsection ~~[(6)]~~ (4):

138 (i) "Eligible county, city, or town" means a county, city, or town that:

139 ~~[(A) receives, in accordance with Subsection (4), \$2,000 or more in tax revenue~~
140 ~~distributions for fiscal year 2002-03;]~~

141 ~~[(B) receives, in accordance with Subsection (4), \$2,000 or more in tax revenue~~
142 ~~distributions for fiscal year 2003-04;]~~

143 ~~[(C) receives, in accordance with Subsection (4), \$2,000 or more in tax revenue~~
144 ~~distributions for fiscal year 2004-05;]~~

145 ~~[(D) for a fiscal year beginning with fiscal year 2012-13 and ending with fiscal year~~
146 ~~2015-16, does not receive a tax revenue distribution described in Subsection (5) equal to the~~
147 ~~amount described in Subsection (5)(b)(i)(A) for three consecutive fiscal years; and]~~

148 (A) for fiscal year 2012-13, received a tax revenue distribution under Subsection (4)(b)
149 equal to the amount described in Subsection (4)(b)(ii); and

150 ~~[(E)]~~ (B) does not impose a sales and use tax under Section 59-12-2103 on or before
151 July 1, 2016.

152 (ii) "Minimum tax revenue distribution" means the total amount of tax revenue
153 distributions an eligible county, city, or town ~~[receives]~~ received from a tax imposed in
154 accordance with this part for fiscal year 2004-05.

155 (b) ~~[Beginning with fiscal year 2016-17, an]~~ An eligible county, city, or town shall

receive a tax revenue distribution for a tax imposed in accordance with this part equal to the greater of:

- (i) the payment required by Subsection (2); or
- (ii) the minimum tax revenue distribution.

~~[(7)]~~ (5) (a) Population figures for purposes of this section shall be based on the most recent official census or census estimate of the United States Census Bureau.

(b) If a needed population estimate is not available from the United States Census Bureau, population figures shall be derived from the estimate from the Utah Population Estimates Committee created by executive order of the governor.

(c) The population of a county for purposes of this section shall be determined only from the unincorporated area of the county.

Section 2. Section **59-12-302** is amended to read:

59-12-302. Collection of tax -- Administrative charge.

(1) Except as provided in Subsection (2) or (3), the tax authorized under this part shall be administered, collected, and enforced in accordance with:

(a) the same procedures used to administer, collect, and enforce the tax under:

- (i) Part 1, Tax Collection; or
- (ii) Part 2, Local Sales and Use Tax Act; and
- (b) Chapter 1, General Taxation Policies.

(2) The location of a transaction shall be determined in accordance with Sections 59-12-211 through 59-12-215.

(3) A tax under this part is not subject to Section 59-12-107.1 or 59-12-123 or Subsections 59-12-205(2) through ~~[(7)]~~ (5).

(4) The commission:

(a) shall distribute the revenue collected from the tax to the county within which the revenue was collected; and

(b) shall retain and deposit an administrative charge in accordance with Section 59-1-306 from revenue the commission collects from a tax under this part.

Section 3. Section **59-12-354** is amended to read:

59-12-354. Collection of tax -- Administrative charge.

(1) Except as provided in Subsections (2) and (3), the tax authorized under this part

187 shall be administered, collected, and enforced in accordance with:

188 (a) the same procedures used to administer, collect, and enforce the tax under:

189 (i) Part 1, Tax Collection; or

190 (ii) Part 2, Local Sales and Use Tax Act; and

191 (b) Chapter 1, General Taxation Policies.

192 (2) (a) The location of a transaction shall be determined in accordance with Sections
193 59-12-211 through 59-12-215.

194 (b) The commission:

195 (i) except as provided in Subsection (2)(b)(ii), shall distribute the revenue collected
196 from the tax to the municipality within which the revenue was collected; and

197 (ii) shall retain and deposit an administrative charge in accordance with Section
198 59-1-306 from the revenue the commission collects from a tax under this part.

199 (3) A tax under this part is not subject to Section 59-12-107.1 or 59-12-123 or
200 Subsections 59-12-205(2) through ~~(7)~~ (5).

201 Section 4. Section **59-12-403** is amended to read:

202 **59-12-403. Enactment or repeal of tax -- Tax rate change -- Effective date --**

203 **Notice requirements -- Administration, collection, and enforcement of tax --**

204 **Administrative charge.**

205 (1) For purposes of this section:

206 (a) "Annexation" means an annexation to a city or town under Title 10, Chapter 2, Part
207 4, Annexation.

208 (b) "Annexing area" means an area that is annexed into a city or town.

209 (2) (a) Except as provided in Subsection (2)(c) or (d), if, on or after April 1, 2008, a
210 city or town enacts or repeals a tax or changes the rate of a tax under this part, the enactment,
211 repeal, or change shall take effect:

212 (i) on the first day of a calendar quarter; and

213 (ii) after a 90-day period beginning on the date the commission receives notice meeting
214 the requirements of Subsection (2)(b) from the city or town.

215 (b) The notice described in Subsection (2)(a)(ii) shall state:

216 (i) that the city or town will enact or repeal a tax or change the rate of a tax under this
217 part;

(ii) the statutory authority for the tax described in Subsection (2)(b)(i);

(iii) the effective date of the tax described in Subsection (2)(b)(i); and

(iv) if the city or town enacts the tax or changes the rate of the tax described in Subsection (2)(b)(i), the rate of the tax.

(c) (i) If the billing period for a transaction begins before the effective date of the enactment of the tax or the tax rate increase imposed under Section 59-12-401, 59-12-402, or 59-12-402.1, the enactment of the tax or the tax rate increase takes effect on the first day of the first billing period that begins on or after the effective date of the enactment of the tax or the tax rate increase.

(ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing statement for the billing period is produced on or after the effective date of the repeal of the tax or the tax rate decrease imposed under Section 59-12-401, 59-12-402, or 59-12-402.1.

(d) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of a tax described in Subsection (2)(a) takes effect:

(A) on the first day of a calendar quarter; and

(B) beginning 60 days after the effective date of the enactment, repeal, or change in the rate of the tax under Subsection (2)(a).

(ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may by rule define the term "catalogue sale."

(3) (a) Except as provided in Subsection (3)(c) or (d), if, for an annexation that occurs on or after July 1, 2004, the annexation will result in the enactment, repeal, or change in the rate of a tax under this part for an annexing area, the enactment, repeal, or change shall take effect:

(i) on the first day of a calendar quarter; and

(ii) after a 90-day period beginning on the date the commission receives notice meeting the requirements of Subsection (3)(b) from the city or town that annexes the annexing area.

(b) The notice described in Subsection (3)(a)(ii) shall state:

(i) that the annexation described in Subsection (3)(a) will result in an enactment, repeal, or change in the rate of a tax under this part for the annexing area;

(ii) the statutory authority for the tax described in Subsection (3)(b)(i);

(iii) the effective date of the tax described in Subsection (3)(b)(i); and

(iv) if the city or town enacts the tax or changes the rate of the tax described in Subsection (3)(b)(i), the rate of the tax.

(c) (i) If the billing period for a transaction begins before the effective date of the enactment of the tax or the tax rate increase imposed under Section 59-12-401, 59-12-402, or 59-12-402.1, the enactment of the tax or the tax rate increase takes effect on the first day of the first billing period that begins on or after the effective date of the enactment of the tax or the tax rate increase.

(ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing statement for the billing period is produced on or after the effective date of the repeal of the tax or the tax rate decrease imposed under Section 59-12-401, 59-12-402, or 59-12-402.1.

(d) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of a tax described in Subsection (3)(a) takes effect:

(A) on the first day of a calendar quarter; and

(B) beginning 60 days after the effective date of the enactment, repeal, or change in the rate of the tax under Subsection (3)(a).

(ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may by rule define the term "catalogue sale."

(4) (a) Except as provided in Subsection (4)(b), a tax authorized under this part shall be administered, collected, and enforced in accordance with:

(i) the same procedures used to administer, collect, and enforce the tax under:

(A) Part 1, Tax Collection; or

(B) Part 2, Local Sales and Use Tax Act; and

(ii) Chapter 1, General Taxation Policies.

(b) A tax under this part is not subject to Subsections 59-12-205(2) through ~~[(7)]~~ (5).

(5) The commission shall retain and deposit an administrative charge in accordance with Section 59-1-306 from the revenue the commission collects from a tax under this part.

Section 5. Section **59-12-603** is amended to read:

59-12-603. County tax -- Bases -- Rates -- Use of revenue -- Adoption of ordinance required -- Advisory board -- Administration -- Collection -- Administrative charge --

Distribution -- Enactment or repeal of tax or tax rate change -- Effective date -- Notice requirements.

(1) (a) In addition to any other taxes, a county legislative body may, as provided in this part, impose a tax as follows:

(i) (A) a county legislative body of any county may impose a tax of not to exceed 3% on all short-term leases and rentals of motor vehicles not exceeding 30 days, except for leases and rentals of motor vehicles made for the purpose of temporarily replacing a person's motor vehicle that is being repaired pursuant to a repair or an insurance agreement; and

(B) beginning on or after January 1, 1999, a county legislative body of any county imposing a tax under Subsection (1)(a)(i)(A) may, in addition to imposing the tax under Subsection (1)(a)(i)(A), impose a tax of not to exceed 4% on all short-term leases and rentals of motor vehicles not exceeding 30 days, except for leases and rentals of motor vehicles made for the purpose of temporarily replacing a person's motor vehicle that is being repaired pursuant to a repair or an insurance agreement;

(ii) a county legislative body of any county may impose a tax of not to exceed 1% of all sales of the following that are sold by a restaurant:

(A) alcoholic beverages;

(B) food and food ingredients; or

(C) prepared food; and

(iii) a county legislative body of a county of the first class may impose a tax of not to exceed .5% on charges for the accommodations and services described in Subsection 59-12-103(1)(i).

(b) A tax imposed under Subsection (1)(a) is subject to the audit provisions of Section 17-31-5.5.

(2) (a) Subject to Subsection (2)(b), revenue from the imposition of the taxes provided for in Subsections (1)(a)(i) through (iii) may be used for:

(i) financing tourism promotion; and

(ii) the development, operation, and maintenance of:

(A) an airport facility;

(B) a convention facility;

(C) a cultural facility;

(D) a recreation facility; or

(E) a tourist facility.

(b) A county of the first class shall expend at least \$450,000 each year of the revenue from the imposition of a tax authorized by Subsection (1)(a)(iii) within the county to fund a marketing and ticketing system designed to:

(i) promote tourism in ski areas within the county by persons that do not reside within the state; and

(ii) combine the sale of:

(A) ski lift tickets; and

(B) accommodations and services described in Subsection 59-12-103(1)(i).

(3) A tax imposed under this part may be pledged as security for bonds, notes, or other evidences of indebtedness incurred by a county, city, or town under Title 11, Chapter 14, Local Government Bonding Act, or a community reinvestment agency under Title 17C, Chapter 1, Part 5, Agency Bonds, to finance:

(a) an airport facility;

(b) a convention facility;

(c) a cultural facility;

(d) a recreation facility; or

(e) a tourist facility.

(4) (a) To impose the tax under Subsection (1), each county legislative body shall adopt an ordinance imposing the tax.

(b) The ordinance under Subsection (4)(a) shall include provisions substantially the same as those contained in Part 1, Tax Collection, except that the tax shall be imposed only on those items and sales described in Subsection (1).

(c) The name of the county as the taxing agency shall be substituted for that of the state where necessary, and an additional license is not required if one has been or is issued under Section 59-12-106.

(5) To maintain in effect its tax ordinance adopted under this part, each county legislative body shall, within 30 days of any amendment of any applicable provisions of Part 1, Tax Collection, adopt amendments to its tax ordinance to conform with the applicable amendments to Part 1, Tax Collection.

(6) (a) Regardless of whether a county of the first class creates a tourism tax advisory board in accordance with Section 17-31-8, the county legislative body of the county of the first class shall create a tax advisory board in accordance with this Subsection (6).

(b) The tax advisory board shall be composed of nine members appointed as follows:

(i) four members shall be residents of a county of the first class appointed by the county legislative body of the county of the first class; and

(ii) subject to Subsections (6)(c) and (d), five members shall be mayors of cities or towns within the county of the first class appointed by an organization representing all mayors of cities and towns within the county of the first class.

(c) Five members of the tax advisory board constitute a quorum.

(d) The county legislative body of the county of the first class shall determine:

(i) terms of the members of the tax advisory board;

(ii) procedures and requirements for removing a member of the tax advisory board;

(iii) voting requirements, except that action of the tax advisory board shall be by at least a majority vote of a quorum of the tax advisory board;

(iv) chairs or other officers of the tax advisory board;

(v) how meetings are to be called and the frequency of meetings; and

(vi) the compensation, if any, of members of the tax advisory board.

(e) The tax advisory board under this Subsection (6) shall advise the county legislative body of the county of the first class on the expenditure of revenue collected within the county of the first class from the taxes described in Subsection (1)(a).

(7) (a) (i) Except as provided in Subsection (7)(a)(ii), a tax authorized under this part shall be administered, collected, and enforced in accordance with:

(A) the same procedures used to administer, collect, and enforce the tax under:

(I) Part 1, Tax Collection; or

(II) Part 2, Local Sales and Use Tax Act; and

(B) Chapter 1, General Taxation Policies.

(ii) A tax under this part is not subject to Section 59-12-107.1 or 59-12-123 or Subsections 59-12-205(2) through ~~(7)~~ (5).

(b) Except as provided in Subsection (7)(c):

(i) for a tax under this part other than the tax under Subsection (1)(a)(i)(B), the

commission shall distribute the revenue to the county imposing the tax; and

(ii) for a tax under Subsection (1)(a)(i)(B), the commission shall distribute the revenue according to the distribution formula provided in Subsection (8).

(c) The commission shall retain and deposit an administrative charge in accordance with Section 59-1-306 from the revenue the commission collects from a tax under this part.

(8) The commission shall distribute the revenue generated by the tax under Subsection (1)(a)(i)(B) to each county collecting a tax under Subsection (1)(a)(i)(B) according to the following formula:

(a) the commission shall distribute 70% of the revenue based on the percentages generated by dividing the revenue collected by each county under Subsection (1)(a)(i)(B) by the total revenue collected by all counties under Subsection (1)(a)(i)(B); and

(b) the commission shall distribute 30% of the revenue based on the percentages generated by dividing the population of each county collecting a tax under Subsection (1)(a)(i)(B) by the total population of all counties collecting a tax under Subsection (1)(a)(i)(B).

(9) (a) For purposes of this Subsection (9):

(i) "Annexation" means an annexation to a county under Title 17, Chapter 2, Part 2, County Annexation.

(ii) "Annexing area" means an area that is annexed into a county.

(b) (i) Except as provided in Subsection (9)(c), if, on or after July 1, 2004, a county enacts or repeals a tax or changes the rate of a tax under this part, the enactment, repeal, or change shall take effect:

(A) on the first day of a calendar quarter; and

(B) after a 90-day period beginning on the date the commission receives notice meeting the requirements of Subsection (9)(b)(ii) from the county.

(ii) The notice described in Subsection (9)(b)(i)(B) shall state:

(A) that the county will enact or repeal a tax or change the rate of a tax under this part;

(B) the statutory authority for the tax described in Subsection (9)(b)(ii)(A);

(C) the effective date of the tax described in Subsection (9)(b)(ii)(A); and

(D) if the county enacts the tax or changes the rate of the tax described in Subsection (9)(b)(ii)(A), the rate of the tax.

(c) (i) If the billing period for a transaction begins before the effective date of the

enactment of the tax or the tax rate increase imposed under Subsection (1), the enactment of the tax or the tax rate increase shall take effect on the first day of the first billing period that begins after the effective date of the enactment of the tax or the tax rate increase.

(ii) If the billing period for a transaction begins before the effective date of the repeal of the tax or the tax rate decrease imposed under Subsection (1), the repeal of the tax or the tax rate decrease shall take effect on the first day of the last billing period that began before the effective date of the repeal of the tax or the tax rate decrease.

(d) (i) Except as provided in Subsection (9)(e), if, for an annexation that occurs on or after July 1, 2004, the annexation will result in the enactment, repeal, or change in the rate of a tax under this part for an annexing area, the enactment, repeal, or change shall take effect:

(A) on the first day of a calendar quarter; and

(B) after a 90-day period beginning on the date the commission receives notice meeting the requirements of Subsection (9)(d)(ii) from the county that annexes the annexing area.

(ii) The notice described in Subsection (9)(d)(i)(B) shall state:

(A) that the annexation described in Subsection (9)(d)(i) will result in an enactment, repeal, or change in the rate of a tax under this part for the annexing area;

(B) the statutory authority for the tax described in Subsection (9)(d)(ii)(A);

(C) the effective date of the tax described in Subsection (9)(d)(ii)(A); and

(D) if the county enacts the tax or changes the rate of the tax described in Subsection (9)(d)(ii)(A), the rate of the tax.

(e) (i) If the billing period for a transaction begins before the effective date of the enactment of the tax or the tax rate increase imposed under Subsection (1), the enactment of the tax or the tax rate increase shall take effect on the first day of the first billing period that begins after the effective date of the enactment of the tax or the tax rate increase.

(ii) If the billing period for a transaction begins before the effective date of the repeal of the tax or the tax rate decrease imposed under Subsection (1), the repeal of the tax or the tax rate decrease shall take effect on the first day of the last billing period that began before the effective date of the repeal of the tax or the tax rate decrease.

Section 6. Section **59-12-703** is amended to read:

59-12-703. Opinion question election -- Base -- Rate -- Imposition of tax --

Expenditure of revenues -- Administration -- Enactment or repeal of tax -- Effective date

-- Notice requirements.

(1) (a) Subject to the other provisions of this section, a county legislative body may submit an opinion question to the residents of that county, by majority vote of all members of the legislative body, so that each resident of the county, except residents in municipalities that have already imposed a sales and use tax under Part 14, City or Town Option Funding for Botanical, Cultural, Recreational, and Zoological Organizations or Facilities, has an opportunity to express the resident's opinion on the imposition of a local sales and use tax of .1% on the transactions described in Subsection 59-12-103(1) located within the county, to:

(i) fund cultural facilities, recreational facilities, and zoological facilities, botanical organizations, cultural organizations, and zoological organizations, and rural radio stations, in that county; or

(ii) provide funding for a botanical organization, cultural organization, or zoological organization to pay for use of a bus or facility rental if that use of the bus or facility rental is in furtherance of the botanical organization's, cultural organization's, or zoological organization's primary purpose.

(b) The opinion question required by this section shall state:

"Shall (insert the name of the county), Utah, be authorized to impose a .1% sales and use tax for (list the purposes for which the revenue collected from the sales and use tax shall be expended)?"

(c) A county legislative body may not impose a tax under this section on:

(i) the sales and uses described in Section 59-12-104 to the extent the sales and uses are exempt from taxation under Section 59-12-104;

(ii) sales and uses within a municipality that has already imposed a sales and use tax under Part 14, City or Town Option Funding for Botanical, Cultural, Recreational, and Zoological Organizations or Facilities; and

(iii) except as provided in Subsection (1)(e), amounts paid or charged for food and food ingredients.

(d) For purposes of this Subsection (1), the location of a transaction shall be determined in accordance with Sections 59-12-211 through 59-12-215.

(e) A county legislative body imposing a tax under this section shall impose the tax on the purchase price or sales price for amounts paid or charged for food and food ingredients if

the food and food ingredients are sold as part of a bundled transaction attributable to food and food ingredients and tangible personal property other than food and food ingredients.

(f) The election shall follow the procedures outlined in Title 11, Chapter 14, Local Government Bonding Act.

(2) (a) If the county legislative body determines that a majority of the county's registered voters voting on the imposition of the tax have voted in favor of the imposition of the tax as prescribed in Subsection (1), the county legislative body may impose the tax by a majority vote of all members of the legislative body on the transactions:

(i) described in Subsection (1); and

(ii) within the county, including the cities and towns located in the county, except those cities and towns that have already imposed a sales and use tax under Part 14, City or Town Option Funding for Botanical, Cultural, Recreational, and Zoological Organizations or Facilities.

(b) A county legislative body may revise county ordinances to reflect statutory changes to the distribution formula or eligible recipients of revenue generated from a tax imposed under Subsection (2)(a) without submitting an opinion question to residents of the county.

(3) Subject to Section 59-12-704, revenue collected from a tax imposed under Subsection (2) shall be expended:

(a) to fund cultural facilities, recreational facilities, and zoological facilities located within the county or a city or town located in the county, except a city or town that has already imposed a sales and use tax under Part 14, City or Town Option Funding for Botanical, Cultural, Recreational, and Zoological Organizations or Facilities;

(b) to fund ongoing operating expenses of:

(i) recreational facilities described in Subsection (3)(a);

(ii) botanical organizations, cultural organizations, and zoological organizations within the county; and

(iii) rural radio stations within the county; and

(c) as stated in the opinion question described in Subsection (1).

(4) (a) A tax authorized under this part shall be:

(i) except as provided in Subsection (4)(b), administered, collected, and enforced in accordance with:

(A) the same procedures used to administer, collect, and enforce the tax under:

(I) Part 1, Tax Collection; or

(II) Part 2, Local Sales and Use Tax Act; and

(B) Chapter 1, General Taxation Policies; and

(ii) levied for a period of 10 years and may be reauthorized at the end of the ten-year period in accordance with this section.

(b) A tax under this part is not subject to Subsections 59-12-205(2) through ~~[(7)]~~ (5).

(5) (a) For purposes of this Subsection (5):

(i) "Annexation" means an annexation to a county under Title 17, Chapter 2, Part 2, County Annexation.

(ii) "Annexing area" means an area that is annexed into a county.

(b) (i) Except as provided in Subsection (5)(c) or (d), if, on or after July 1, 2004, a county enacts or repeals a tax under this part, the enactment or repeal shall take effect:

(A) on the first day of a calendar quarter; and

(B) after a 90-day period beginning on the date the commission receives notice meeting the requirements of Subsection (5)(b)(ii) from the county.

(ii) The notice described in Subsection (5)(b)(i)(B) shall state:

(A) that the county will enact or repeal a tax under this part;

(B) the statutory authority for the tax described in Subsection (5)(b)(ii)(A);

(C) the effective date of the tax described in Subsection (5)(b)(ii)(A); and

(D) if the county enacts the tax described in Subsection (5)(b)(ii)(A), the rate of the tax.

(c) (i) If the billing period for a transaction begins before the effective date of the enactment of the tax under this section, the enactment of the tax takes effect on the first day of the first billing period that begins on or after the effective date of the enactment of the tax.

(ii) The repeal of a tax applies to a billing period if the billing statement for the billing period is produced on or after the effective date of the repeal of the tax imposed under this section.

(d) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in Subsection (5)(b)(i) takes effect:

528 (A) on the first day of a calendar quarter; and
529 (B) beginning 60 days after the effective date of the enactment or repeal under
530 Subsection (5)(b)(i).

531 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
532 commission may by rule define the term "catalogue sale."

533 (e) (i) Except as provided in Subsection (5)(f) or (g), if, for an annexation that occurs
534 on or after July 1, 2004, the annexation will result in the enactment or repeal of a tax under this
535 part for an annexing area, the enactment or repeal shall take effect:

536 (A) on the first day of a calendar quarter; and
537 (B) after a 90-day period beginning on the date the commission receives notice meeting
538 the requirements of Subsection (5)(e)(ii) from the county that annexes the annexing area.

539 (ii) The notice described in Subsection (5)(e)(i)(B) shall state:

540 (A) that the annexation described in Subsection (5)(e)(i) will result in an enactment or
541 repeal of a tax under this part for the annexing area;

542 (B) the statutory authority for the tax described in Subsection (5)(e)(ii)(A);
543 (C) the effective date of the tax described in Subsection (5)(e)(ii)(A); and
544 (D) the rate of the tax described in Subsection (5)(e)(ii)(A).

545 (f) (i) If the billing period for a transaction begins before the effective date of the
546 enactment of the tax under this section, the enactment of the tax takes effect on the first day of
547 the first billing period that begins on or after the effective date of the enactment of the tax.

548 (ii) The repeal of a tax applies to a billing period if the billing statement for the billing
549 period is produced on or after the effective date of the repeal of the tax imposed under this
550 section.

551 (g) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
552 sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in
553 Subsection (5)(e)(i) takes effect:

554 (A) on the first day of a calendar quarter; and
555 (B) beginning 60 days after the effective date of the enactment or repeal under
556 Subsection (5)(e)(i).

557 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
558 commission may by rule define the term "catalogue sale."

Section 7. Section **59-12-802** is amended to read:

59-12-802. Imposition of rural county health care facilities tax -- Expenditure of tax revenue -- Base -- Rate -- Administration, collection, and enforcement of tax -- Administrative charge.

(1) (a) A county legislative body of a county of the third, fourth, fifth, or sixth class may impose a sales and use tax of up to 1% on the transactions described in Subsection 59-12-103(1) located within the county.

(b) Subject to Subsection (3), the money collected from a tax under this section may be used to fund:

(i) for a county of the third or fourth class, rural county health care facilities in that county; or

(ii) for a county of the fifth or sixth class:

(A) rural emergency medical services in that county;

(B) federally qualified health centers in that county;

(C) freestanding urgent care centers in that county;

(D) rural county health care facilities in that county;

(E) rural health clinics in that county; or

(F) a combination of Subsections (1)(b)(ii)(A) through (E).

(c) Notwithstanding Subsection (1)(a), a county legislative body may not impose a tax under this section on:

(i) the sales and uses described in Section 59-12-104 to the extent the sales and uses are exempt from taxation under Section 59-12-104;

(ii) a transaction to the extent a rural city hospital tax is imposed on that transaction in a city that imposes a tax under Section 59-12-804; and

(iii) except as provided in Subsection (1)(e), amounts paid or charged for food and food ingredients.

(d) For purposes of this Subsection (1), the location of a transaction shall be determined in accordance with Sections 59-12-211 through 59-12-215.

(e) A county legislative body imposing a tax under this section shall impose the tax on the purchase price or sales price for amounts paid or charged for food and food ingredients if the food and food ingredients are sold as part of a bundled transaction attributable to food and

food ingredients and tangible personal property other than food and food ingredients.

(2) (a) Before imposing a tax under Subsection (1), a county legislative body shall obtain approval to impose the tax from a majority of the:

(i) members of the county's legislative body; and

(ii) county's registered voters voting on the imposition of the tax.

(b) The county legislative body shall conduct the election according to the procedures and requirements of Title 11, Chapter 14, Local Government Bonding Act.

(3) (a) The money collected from a tax imposed under Subsection (1) by a county legislative body of a county of the third or fourth class may only be used for the financing of:

(i) ongoing operating expenses of a rural county health care facility within that county;

(ii) the acquisition of land for a rural county health care facility within that county; or

(iii) the design, construction, equipping, or furnishing of a rural county health care facility within that county.

(b) The money collected from a tax imposed under Subsection (1) by a county of the fifth or sixth class may only be used to fund:

(i) ongoing operating expenses of a center, clinic, or facility described in Subsection (1)(b)(ii) within that county;

(ii) the acquisition of land for a center, clinic, or facility described in Subsection (1)(b)(ii) within that county;

(iii) the design, construction, equipping, or furnishing of a center, clinic, or facility described in Subsection (1)(b)(ii) within that county; or

(iv) rural emergency medical services within that county.

(4) (a) A tax under this section shall be:

(i) except as provided in Subsection (4)(b), administered, collected, and enforced in accordance with:

(A) the same procedures used to administer, collect, and enforce the tax under:

(I) Part 1, Tax Collection; or

(II) Part 2, Local Sales and Use Tax Act; and

(B) Chapter 1, General Taxation Policies; and

(ii) levied for a period of 10 years and may be reauthorized at the end of the ten-year period by the county legislative body as provided in Subsection (1).

(b) A tax under this section is not subject to Subsections 59-12-205(2) through [(7)]
(5).

(c) A county legislative body shall distribute money collected from a tax under this
section quarterly.

(5) The commission shall retain and deposit an administrative charge in accordance
with Section 59-1-306 from the revenue the commission collects from a tax under this section.

Section 8. Section **59-12-804** is amended to read:

**59-12-804. Imposition of rural city hospital tax -- Base -- Rate -- Administration,
collection, and enforcement of tax -- Administrative charge.**

(1) (a) A city legislative body may impose a sales and use tax of up to 1%:

(i) on the transactions described in Subsection 59-12-103(1) located within the city;
and

(ii) to fund rural city hospitals in that city.

(b) Notwithstanding Subsection (1)(a)(i), a city legislative body may not impose a tax
under this section on:

(i) the sales and uses described in Section 59-12-104 to the extent the sales and uses
are exempt from taxation under Section 59-12-104; and

(ii) except as provided in Subsection (1)(d), amounts paid or charged for food and food
ingredients.

(c) For purposes of this Subsection (1), the location of a transaction shall be
determined in accordance with Sections 59-12-211 through 59-12-215.

(d) A city legislative body imposing a tax under this section shall impose the tax on the
purchase price or sales price for amounts paid or charged for food and food ingredients if the
food and food ingredients are sold as part of a bundled transaction attributable to food and food
ingredients and tangible personal property other than food and food ingredients.

(2) (a) Before imposing a tax under Subsection (1)(a), a city legislative body shall
obtain approval to impose the tax from a majority of the:

(i) members of the city legislative body; and

(ii) city's registered voters voting on the imposition of the tax.

(b) The city legislative body shall conduct the election according to the procedures and
requirements of Title 11, Chapter 14, Local Government Bonding Act.

(3) The money collected from a tax imposed under Subsection (1) may only be used to fund:

- (a) ongoing operating expenses of a rural city hospital;
- (b) the acquisition of land for a rural city hospital; or
- (c) the design, construction, equipping, or furnishing of a rural city hospital.

(4) (a) A tax under this section shall be:

(i) except as provided in Subsection (4)(b), administered, collected, and enforced in accordance with:

(A) the same procedures used to administer, collect, and enforce the tax under:

(I) Part 1, Tax Collection; or

(II) Part 2, Local Sales and Use Tax Act; and

(B) Chapter 1, General Taxation Policies; and

(ii) levied for a period of 10 years and may be reauthorized at the end of the ten-year period by the city legislative body as provided in Subsection (1).

(b) A tax under this section is not subject to Subsections 59-12-205(2) through ~~(7)~~ (5).

(5) The commission shall retain and deposit an administrative charge in accordance with Section 59-1-306 from the revenue the commission collects from a tax under this section.

Section 9. Section **59-12-1102** is amended to read:

59-12-1102. Base -- Rate -- Imposition of tax -- Distribution of revenue -- Administration -- Administrative charge -- Commission requirement to retain an amount to be deposited into the Qualified Emergency Food Agencies Fund -- Enactment or repeal of tax -- Effective date -- Notice requirements.

(1) (a) (i) Subject to Subsections (2) through (6), and in addition to any other tax authorized by this chapter, a county may impose by ordinance a county option sales and use tax of .25% upon the transactions described in Subsection 59-12-103(1).

(ii) Notwithstanding Subsection (1)(a)(i), a county may not impose a tax under this section on the sales and uses described in Section 59-12-104 to the extent the sales and uses are exempt from taxation under Section 59-12-104.

(b) For purposes of this Subsection (1), the location of a transaction shall be determined in accordance with Sections 59-12-211 through 59-12-215.

683 (c) The county option sales and use tax under this section shall be imposed:
684 (i) upon transactions that are located within the county, including transactions that are
685 located within municipalities in the county; and
686 (ii) except as provided in Subsection (1)(d) or (5), beginning on the first day of
687 January:
688 (A) of the next calendar year after adoption of the ordinance imposing the tax if the
689 ordinance is adopted on or before May 25; or
690 (B) of the second calendar year after adoption of the ordinance imposing the tax if the
691 ordinance is adopted after May 25.
692 (d) The county option sales and use tax under this section shall be imposed:
693 (i) beginning January 1, 1998, if an ordinance adopting the tax imposed on or before
694 September 4, 1997; or
695 (ii) beginning January 1, 1999, if an ordinance adopting the tax is imposed during 1997
696 but after September 4, 1997.
697 (2) (a) Before imposing a county option sales and use tax under Subsection (1), a
698 county shall hold two public hearings on separate days in geographically diverse locations in
699 the county.
700 (b) (i) At least one of the hearings required by Subsection (2)(a) shall have a starting
701 time of no earlier than 6 p.m.
702 (ii) The earlier of the hearings required by Subsection (2)(a) shall be no less than seven
703 days after the day the first advertisement required by Subsection (2)(c) is published.
704 (c) (i) Before holding the public hearings required by Subsection (2)(a), the county
705 shall advertise:
706 (A) its intent to adopt a county option sales and use tax;
707 (B) the date, time, and location of each public hearing; and
708 (C) a statement that the purpose of each public hearing is to obtain public comments
709 regarding the proposed tax.
710 (ii) The advertisement shall be published:
711 (A) in a newspaper of general circulation in the county once each week for the two
712 weeks preceding the earlier of the two public hearings; and
713 (B) on the Utah Public Notice Website created in Section 63F-1-701, for two weeks

preceding the earlier of the two public hearings.

(iii) The advertisement described in Subsection (2)(c)(ii)(A) shall be no less than 1/8 page in size, and the type used shall be no smaller than 18 point and surrounded by a 1/4-inch border.

(iv) The advertisement described in Subsection (2)(c)(ii)(A) may not be placed in that portion of the newspaper where legal notices and classified advertisements appear.

(v) In accordance with Subsection (2)(c)(ii)(A), whenever possible:

(A) the advertisement shall appear in a newspaper that is published at least five days a week, unless the only newspaper in the county is published less than five days a week; and

(B) the newspaper selected shall be one of general interest and readership in the community, and not one of limited subject matter.

(d) The adoption of an ordinance imposing a county option sales and use tax is subject to a local referendum election and shall be conducted as provided in Title 20A, Chapter 7, Part 6, Local Referenda - Procedures.

(3) (a) Subject to Subsection (5), if the aggregate population of the counties imposing a county option sales and use tax under Subsection (1) is less than 75% of the state population, the tax levied under Subsection (1) shall be distributed to the county in which the tax was collected.

(b) Subject to Subsection (5), if the aggregate population of the counties imposing a county option sales and use tax under Subsection (1) is greater than or equal to 75% of the state population:

(i) 50% of the tax collected under Subsection (1) in each county shall be distributed to the county in which the tax was collected; and

(ii) except as provided in Subsection (3)(c), 50% of the tax collected under Subsection (1) in each county shall be distributed proportionately among all counties imposing the tax, based on the total population of each county.

(c) Except as provided in Subsection (5), the amount to be distributed annually to a county under Subsection (3)(b)(ii), when combined with the amount distributed to the county under Subsection (3)(b)(i), does not equal at least \$75,000, then:

(i) the amount to be distributed annually to that county under Subsection (3)(b)(ii) shall be increased so that, when combined with the amount distributed to the county under

745 Subsection (3)(b)(i), the amount distributed annually to the county is \$75,000; and
746 (ii) the amount to be distributed annually to all other counties under Subsection
747 (3)(b)(ii) shall be reduced proportionately to offset the additional amount distributed under
748 Subsection (3)(c)(i).

749 (d) The commission shall establish rules to implement the distribution of the tax under
750 Subsections (3)(a), (b), and (c).

751 (4) (a) Except as provided in Subsection (4)(b) or (c), a tax authorized under this part
752 shall be administered, collected, and enforced in accordance with:

753 (i) the same procedures used to administer, collect, and enforce the tax under:
754 (A) Part 1, Tax Collection; or
755 (B) Part 2, Local Sales and Use Tax Act; and
756 (ii) Chapter 1, General Taxation Policies.

757 (b) A tax under this part is not subject to Subsections 59-12-205(2) through ~~(7)~~ (5).

758 (c) (i) Subject to Subsection (4)(c)(ii), the commission shall retain and deposit an
759 administrative charge in accordance with Section 59-1-306 from the revenue the commission
760 collects from a tax under this part.

761 (ii) Notwithstanding Section 59-1-306, the administrative charge described in
762 Subsection (4)(c)(i) shall be calculated by taking a percentage described in Section 59-1-306 of
763 the distribution amounts resulting after:

764 (A) the applicable distribution calculations under Subsection (3) have been made; and
765 (B) the commission retains the amount required by Subsection (5).

766 (5) (a) Beginning on July 1, 2009, the commission shall calculate and retain a portion
767 of the sales and use tax collected under this part as provided in this Subsection (5).

768 (b) For a county that imposes a tax under this part, the commission shall calculate a
769 percentage each month by dividing the sales and use tax collected under this part for that
770 month within the boundaries of that county by the total sales and use tax collected under this
771 part for that month within the boundaries of all of the counties that impose a tax under this part.

772 (c) For a county that imposes a tax under this part, the commission shall retain each
773 month an amount equal to the product of:

774 (i) the percentage the commission determines for the month under Subsection (5)(b)
775 for the county; and

776 (ii) \$6,354.

777 (d) The commission shall deposit an amount the commission retains in accordance
778 with this Subsection (5) into the Qualified Emergency Food Agencies Fund created by Section
779 35A-8-1009.

780 (e) An amount the commission deposits into the Qualified Emergency Food Agencies
781 Fund shall be expended as provided in Section 35A-8-1009.

782 (6) (a) For purposes of this Subsection (6):

783 (i) "Annexation" means an annexation to a county under Title 17, Chapter 2, County
784 Consolidations and Annexations.

785 (ii) "Annexing area" means an area that is annexed into a county.

786 (b) (i) Except as provided in Subsection (6)(c) or (d), if, on or after July 1, 2004, a
787 county enacts or repeals a tax under this part:

788 (A) (I) the enactment shall take effect as provided in Subsection (1)(c); or

789 (II) the repeal shall take effect on the first day of a calendar quarter; and

790 (B) after a 90-day period beginning on the date the commission receives notice meeting
791 the requirements of Subsection (6)(b)(ii) from the county.

792 (ii) The notice described in Subsection (6)(b)(i)(B) shall state:

793 (A) that the county will enact or repeal a tax under this part;

794 (B) the statutory authority for the tax described in Subsection (6)(b)(ii)(A);

795 (C) the effective date of the tax described in Subsection (6)(b)(ii)(A); and

796 (D) if the county enacts the tax described in Subsection (6)(b)(ii)(A), the rate of the
797 tax.

798 (c) (i) If the billing period for a transaction begins before the effective date of the
799 enactment of the tax under Subsection (1), the enactment of the tax takes effect on the first day
800 of the first billing period that begins on or after the effective date of the enactment of the tax.

801 (ii) The repeal of a tax applies to a billing period if the billing statement for the billing
802 period is produced on or after the effective date of the repeal of the tax imposed under
803 Subsection (1).

804 (d) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
805 sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in
806 Subsection (6)(b)(i) takes effect:

807 (A) on the first day of a calendar quarter; and
808 (B) beginning 60 days after the effective date of the enactment or repeal under
809 Subsection (6)(b)(i).
810 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
811 commission may by rule define the term "catalogue sale."
812 (e) (i) Except as provided in Subsection (6)(f) or (g), if, for an annexation that occurs
813 on or after July 1, 2004, the annexation will result in the enactment or repeal of a tax under this
814 part for an annexing area, the enactment or repeal shall take effect:
815 (A) on the first day of a calendar quarter; and
816 (B) after a 90-day period beginning on the date the commission receives notice meeting
817 the requirements of Subsection (6)(e)(ii) from the county that annexes the annexing area.
818 (ii) The notice described in Subsection (6)(e)(i)(B) shall state:
819 (A) that the annexation described in Subsection (6)(e)(i) will result in an enactment or
820 repeal of a tax under this part for the annexing area;
821 (B) the statutory authority for the tax described in Subsection (6)(e)(ii)(A);
822 (C) the effective date of the tax described in Subsection (6)(e)(ii)(A); and
823 (D) the rate of the tax described in Subsection (6)(e)(ii)(A).
824 (f) (i) If the billing period for a transaction begins before the effective date of the
825 enactment of the tax under Subsection (1), the enactment of the tax takes effect on the first day
826 of the first billing period that begins on or after the effective date of the enactment of the tax.
827 (ii) The repeal of a tax applies to a billing period if the billing statement for the billing
828 period is produced on or after the effective date of the repeal of the tax imposed under
829 Subsection (1).
830 (g) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
831 sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in
832 Subsection (6)(e)(i) takes effect:
833 (A) on the first day of a calendar quarter; and
834 (B) beginning 60 days after the effective date of the enactment or repeal under
835 Subsection (6)(e)(i).
836 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
837 commission may by rule define the term "catalogue sale."

Section 10. Section **59-12-1302** is amended to read:

59-12-1302. Imposition of tax -- Base -- Rate -- Enactment or repeal of tax -- Tax rate change -- Effective date -- Notice requirements -- Administration, collection, and enforcement of tax -- Administrative charge.

(1) Beginning on or after January 1, 1998, the governing body of a town may impose a tax as provided in this part in an amount that does not exceed 1%.

(2) A town may impose a tax as provided in this part if the town imposed a license fee or tax on businesses based on gross receipts under Section 10-1-203 on or before January 1, 1996.

(3) A town imposing a tax under this section shall:

(a) except as provided in Subsection (4), impose the tax on the transactions described in Subsection 59-12-103(1) located within the town; and

(b) provide an effective date for the tax as provided in Subsection (5).

(4) (a) A town may not impose a tax under this section on:

(i) the sales and uses described in Section 59-12-104 to the extent the sales and uses are exempt from taxation under Section 59-12-104; and

(ii) except as provided in Subsection (4)(c), amounts paid or charged for food and food ingredients.

(b) For purposes of this Subsection (4), the location of a transaction shall be determined in accordance with Sections 59-12-211 through 59-12-215.

(c) A town imposing a tax under this section shall impose the tax on the purchase price or sales price for amounts paid or charged for food and food ingredients if the food and food ingredients are sold as part of a bundled transaction attributable to food and food ingredients and tangible personal property other than food and food ingredients.

(5) (a) For purposes of this Subsection (5):

(i) "Annexation" means an annexation to a town under Title 10, Chapter 2, Part 4, Annexation.

(ii) "Annexing area" means an area that is annexed into a town.

(b) (i) Except as provided in Subsection (5)(c) or (d), if, on or after July 1, 2004, a town enacts or repeals a tax or changes the rate of a tax under this part, the enactment, repeal, or change shall take effect:

(A) on the first day of a calendar quarter; and

(B) after a 90-day period beginning on the date the commission receives notice meeting the requirements of Subsection (5)(b)(ii) from the town.

(ii) The notice described in Subsection (5)(b)(i)(B) shall state:

(A) that the town will enact or repeal a tax or change the rate of a tax under this part;

(B) the statutory authority for the tax described in Subsection (5)(b)(ii)(A);

(C) the effective date of the tax described in Subsection (5)(b)(ii)(A); and

(D) if the town enacts the tax or changes the rate of the tax described in Subsection (5)(b)(ii)(A), the rate of the tax.

(c) (i) If the billing period for the transaction begins before the effective date of the enactment of the tax or the tax rate increase imposed under Subsection (1), the enactment of the tax or the tax rate increase takes effect on the first day of the first billing period that begins on or after the effective date of the enactment of the tax or the tax rate increase.

(ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing statement for the billing period is produced on or after the effective date of the repeal of the tax or the tax rate decrease imposed under Subsection (1).

(d) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of a tax described in Subsection (5)(b)(i) takes effect:

(A) on the first day of a calendar quarter; and

(B) beginning 60 days after the effective date of the enactment, repeal, or change in the rate of the tax under Subsection (5)(b)(i).

(ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may by rule define the term "catalogue sale."

(e) (i) Except as provided in Subsection (5)(f) or (g), if, for an annexation that occurs on or after July 1, 2004, the annexation will result in the enactment, repeal, or change in the rate of a tax under this part for an annexing area, the enactment, repeal, or change shall take effect:

(A) on the first day of a calendar quarter; and

(B) after a 90-day period beginning on the date the commission receives notice meeting the requirements of Subsection (5)(e)(ii) from the town that annexes the annexing area.

900 (ii) The notice described in Subsection (5)(e)(i)(B) shall state:

901 (A) that the annexation described in Subsection (5)(e)(i) will result in an enactment,

902 repeal, or change in the rate of a tax under this part for the annexing area;

903 (B) the statutory authority for the tax described in Subsection (5)(e)(ii)(A);

904 (C) the effective date of the tax described in Subsection (5)(e)(ii)(A); and

905 (D) if the town enacts the tax or changes the rate of the tax described in Subsection

906 (5)(e)(ii)(A), the rate of the tax.

907 (f) (i) If the billing period for a transaction begins before the effective date of the

908 enactment of the tax or the tax rate increase imposed under Subsection (1), the enactment of

909 the tax or the tax rate increase takes effect on the first day of the first billing period that begins

910 on or after the effective date of the enactment of the tax or the tax rate increase.

911 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing

912 statement for the billing period is produced on or after the effective date of the repeal of the tax

913 or the tax rate decrease imposed under Subsection (1).

914 (g) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of

915 sales and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of

916 a tax described in Subsection (5)(e)(i) takes effect:

917 (A) on the first day of a calendar quarter; and

918 (B) beginning 60 days after the effective date of the enactment, repeal, or change in the

919 rate of the tax under Subsection (5)(e)(i).

920 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

921 commission may by rule define the term "catalogue sale."

922 (6) The commission shall:

923 (a) distribute the revenue generated by the tax under this section to the town imposing

924 the tax; and

925 (b) except as provided in Subsection (8), administer, collect, and enforce the tax

926 authorized under this section in accordance with:

927 (i) the same procedures used to administer, collect, and enforce the tax under:

928 (A) Part 1, Tax Collection; or

929 (B) Part 2, Local Sales and Use Tax Act; and

930 (ii) Chapter 1, General Taxation Policies.

(7) The commission shall retain and deposit an administrative charge in accordance with Section 59-1-306 from the revenue the commission collects from a tax under this part.

(8) A tax under this section is not subject to Subsections 59-12-205(2) through ~~[(7)]~~ (5).

Section 11. Section **59-12-1402** is amended to read:

59-12-1402. Opinion question election -- Base -- Rate -- Imposition of tax -- Expenditure of revenue -- Enactment or repeal of tax -- Effective date -- Notice requirements.

(1) (a) Subject to the other provisions of this section, a city or town legislative body subject to this part may submit an opinion question to the residents of that city or town, by majority vote of all members of the legislative body, so that each resident of the city or town has an opportunity to express the resident's opinion on the imposition of a local sales and use tax of .1% on the transactions described in Subsection 59-12-103(1) located within the city or town, to:

(i) fund cultural facilities, recreational facilities, and zoological facilities and botanical organizations, cultural organizations, and zoological organizations in that city or town; or

(ii) provide funding for a botanical organization, cultural organization, or zoological organization to pay for use of a bus or facility rental if that use of the bus or facility rental is in furtherance of the botanical organization's, cultural organization's, or zoological organization's primary purpose.

(b) The opinion question required by this section shall state:

"Shall (insert the name of the city or town), Utah, be authorized to impose a .1% sales and use tax for (list the purposes for which the revenue collected from the sales and use tax shall be expended)?"

(c) A city or town legislative body may not impose a tax under this section:

(i) if the county in which the city or town is located imposes a tax under Part 7, County Option Funding for Botanical, Cultural, Recreational, and Zoological Organizations or Facilities;

(ii) on the sales and uses described in Section 59-12-104 to the extent the sales and uses are exempt from taxation under Section 59-12-104; and

(iii) except as provided in Subsection (1)(e), on amounts paid or charged for food and

962 food ingredients.

963 (d) For purposes of this Subsection (1), the location of a transaction shall be
964 determined in accordance with Sections 59-12-211 through 59-12-215.

965 (e) A city or town legislative body imposing a tax under this section shall impose the
966 tax on the purchase price or sales price for amounts paid or charged for food and food
967 ingredients if the food and food ingredients are sold as part of a bundled transaction attributable
968 to food and food ingredients and tangible personal property other than food and food
969 ingredients.

970 (f) Except as provided in Subsection (6), the election shall be held at a regular general
971 election or a municipal general election, as those terms are defined in Section 20A-1-102, and
972 shall follow the procedures outlined in Title 11, Chapter 14, Local Government Bonding Act.

973 (2) If the city or town legislative body determines that a majority of the city's or town's
974 registered voters voting on the imposition of the tax have voted in favor of the imposition of
975 the tax as prescribed in Subsection (1), the city or town legislative body may impose the tax by
976 a majority vote of all members of the legislative body.

977 (3) Subject to Section 59-12-1403, revenue collected from a tax imposed under
978 Subsection (2) shall be expended:

979 (a) to finance cultural facilities, recreational facilities, and zoological facilities within
980 the city or town or within the geographic area of entities that are parties to an interlocal
981 agreement, to which the city or town is a party, providing for cultural facilities, recreational
982 facilities, or zoological facilities;

983 (b) to finance ongoing operating expenses of:

984 (i) recreational facilities described in Subsection (3)(a) within the city or town or
985 within the geographic area of entities that are parties to an interlocal agreement, to which the
986 city or town is a party, providing for recreational facilities; or

987 (ii) botanical organizations, cultural organizations, and zoological organizations within
988 the city or town or within the geographic area of entities that are parties to an interlocal
989 agreement, to which the city or town is a party, providing for the support of botanical
990 organizations, cultural organizations, or zoological organizations; and

991 (c) as stated in the opinion question described in Subsection (1).

992 (4) (a) Except as provided in Subsection (4)(b), a tax authorized under this part shall

993 be:

994 (i) administered, collected, and enforced in accordance with:

995 (A) the same procedures used to administer, collect, and enforce the tax under:

996 (I) Part 1, Tax Collection; or

997 (II) Part 2, Local Sales and Use Tax Act; and

998 (B) Chapter 1, General Taxation Policies; and

999 (ii) (A) levied for a period of eight years; and

1000 (B) may be reauthorized at the end of the eight-year period in accordance with this

1001 section.

1002 (b) (i) If a tax under this part is imposed for the first time on or after July 1, 2011, the
1003 tax shall be levied for a period of 10 years.

1004 (ii) If a tax under this part is reauthorized in accordance with Subsection (4)(a) on or
1005 after July 1, 2011, the tax shall be reauthorized for a ten-year period.

1006 (c) A tax under this section is not subject to Subsections 59-12-205(2) through ~~(7)~~
1007 (5).

1008 (5) (a) For purposes of this Subsection (5):

1009 (i) "Annexation" means an annexation to a city or town under Title 10, Chapter 2, Part
1010 4, Annexation.

1011 (ii) "Annexing area" means an area that is annexed into a city or town.

1012 (b) (i) Except as provided in Subsection (5)(c) or (d), if, on or after July 1, 2004, a city
1013 or town enacts or repeals a tax under this part, the enactment or repeal shall take effect:

1014 (A) on the first day of a calendar quarter; and

1015 (B) after a 90-day period beginning on the date the commission receives notice meeting
1016 the requirements of Subsection (5)(b)(ii) from the city or town.

1017 (ii) The notice described in Subsection (5)(b)(i)(B) shall state:

1018 (A) that the city or town will enact or repeal a tax under this part;

1019 (B) the statutory authority for the tax described in Subsection (5)(b)(ii)(A);

1020 (C) the effective date of the tax described in Subsection (5)(b)(ii)(A); and

1021 (D) if the city or town enacts the tax described in Subsection (5)(b)(ii)(A), the rate of
1022 the tax.

1023 (c) (i) If the billing period for a transaction begins before the effective date of the

enactment of the tax under this section, the enactment of the tax takes effect on the first day of the first billing period that begins on or after the effective date of the enactment of the tax.

(ii) The repeal of a tax applies to a billing period if the billing statement for the billing period is produced on or after the effective date of the repeal of the tax imposed under this section.

(d) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in Subsection (5)(b)(i) takes effect:

(A) on the first day of a calendar quarter; and

(B) beginning 60 days after the effective date of the enactment or repeal under Subsection (5)(b)(i).

(ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may by rule define the term "catalogue sale."

(e) (i) Except as provided in Subsection (5)(f) or (g), if, for an annexation that occurs on or after July 1, 2004, the annexation will result in the enactment or repeal of a tax under this part for an annexing area, the enactment or repeal shall take effect:

(A) on the first day of a calendar quarter; and

(B) after a 90-day period beginning on the date the commission receives notice meeting the requirements of Subsection (5)(e)(ii) from the city or town that annexes the annexing area.

(ii) The notice described in Subsection (5)(e)(i)(B) shall state:

(A) that the annexation described in Subsection (5)(e)(i) will result in an enactment or repeal a tax under this part for the annexing area;

(B) the statutory authority for the tax described in Subsection (5)(e)(ii)(A);

(C) the effective date of the tax described in Subsection (5)(e)(ii)(A); and

(D) the rate of the tax described in Subsection (5)(e)(ii)(A).

(f) (i) If the billing period for a transaction begins before the effective date of the enactment of the tax under this section, the enactment of the tax takes effect on the first day of the first billing period that begins on or after the effective date of the enactment of the tax.

(ii) The repeal of a tax applies to a billing period if the billing statement for the billing period is produced on or after the effective date of the repeal of the tax imposed under this section.

1055 (g) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
1056 sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in
1057 Subsection (5)(e)(i) takes effect:

1058 (A) on the first day of a calendar quarter; and

1059 (B) beginning 60 days after the effective date of the enactment or repeal under
1060 Subsection (5)(e)(i).

1061 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1062 commission may by rule define the term "catalogue sale."

1063 (6) (a) Before a city or town legislative body submits an opinion question to the
1064 residents of the city or town under Subsection (1), the city or town legislative body shall:

1065 (i) submit to the county legislative body in which the city or town is located a written
1066 notice of the intent to submit the opinion question to the residents of the city or town; and

1067 (ii) receive from the county legislative body:

1068 (A) a written resolution passed by the county legislative body stating that the county
1069 legislative body is not seeking to impose a tax under Part 7, County Option Funding for
1070 Botanical, Cultural, Recreational, and Zoological Organizations or Facilities; or

1071 (B) a written statement that in accordance with Subsection (6)(b) the results of a county
1072 opinion question submitted to the residents of the county under Part 7, County Option Funding
1073 for Botanical, Cultural, Recreational, and Zoological Organizations or Facilities, permit the city
1074 or town legislative body to submit the opinion question to the residents of the city or town in
1075 accordance with this part.

1076 (b) (i) Within 60 days after the day the county legislative body receives from a city or
1077 town legislative body described in Subsection (6)(a) the notice of the intent to submit an
1078 opinion question to the residents of the city or town, the county legislative body shall provide
1079 the city or town legislative body:

1080 (A) the written resolution described in Subsection (6)(a)(ii)(A); or

1081 (B) written notice that the county legislative body will submit an opinion question to
1082 the residents of the county under Part 7, County Option Funding for Botanical, Cultural,
1083 Recreational, and Zoological Organizations or Facilities, for the county to impose a tax under
1084 that part.

1085 (ii) If the county legislative body provides the city or town legislative body the written

1086 notice that the county legislative body will submit an opinion question as provided in
1087 Subsection (6)(b)(i)(B), the county legislative body shall submit the opinion question by no
1088 later than, from the date the county legislative body sends the written notice, the later of:

1089 (A) a 12-month period;

1090 (B) the next regular primary election; or

1091 (C) the next regular general election.

1092 (iii) Within 30 days of the date of the canvass of the election at which the opinion
1093 question under Subsection (6)(b)(ii) is voted on, the county legislative body shall provide the
1094 city or town legislative body described in Subsection (6)(a) written results of the opinion
1095 question submitted by the county legislative body under Part 7, County Option Funding for
1096 Botanical, Cultural, Recreational, and Zoological Organizations or Facilities, indicating that:

1097 (A) (I) the city or town legislative body may not impose a tax under this part because a
1098 majority of the county's registered voters voted in favor of the county imposing the tax and the
1099 county legislative body by a majority vote approved the imposition of the tax; or

1100 (II) for at least 12 months from the date the written results are submitted to the city or
1101 town legislative body, the city or town legislative body may not submit to the county legislative
1102 body a written notice of the intent to submit an opinion question under this part because a
1103 majority of the county's registered voters voted against the county imposing the tax and the
1104 majority of the registered voters who are residents of the city or town described in Subsection
1105 (6)(a) voted against the imposition of the county tax; or

1106 (B) the city or town legislative body may submit the opinion question to the residents
1107 of the city or town in accordance with this part because although a majority of the county's
1108 registered voters voted against the county imposing the tax, the majority of the registered voters
1109 who are residents of the city or town voted for the imposition of the county tax.

1110 (c) Notwithstanding Subsection (6)(b), at any time a county legislative body may
1111 provide a city or town legislative body described in Subsection (6)(a) a written resolution
1112 passed by the county legislative body stating that the county legislative body is not seeking to
1113 impose a tax under Part 7, County Option Funding for Botanical, Cultural, Recreational, and
1114 Zoological Organizations or Facilities, which permits the city or town legislative body to
1115 submit under Subsection (1) an opinion question to the city's or town's residents.

1116 Section 12. Section **59-12-2103** is amended to read:

59-12-2103. Imposition of tax -- Base -- Rate -- Expenditure of revenue collected from the tax -- Administration, collection, and enforcement of tax by commission -- Administrative charge -- Enactment or repeal of tax -- Annexation -- Notice.

(1) (a) As used in this section, "eligible city or town" means a city or town that imposed a tax under this part on July 1, 2016.

~~[(1)(a)] (b)~~ Subject to the other provisions of this section and except as provided in Subsection (2) or (3), ~~[beginning on January 1, 2009 and ending on June 30, 2016, if a city or town receives a distribution for the 12 consecutive months of fiscal year 2005-06 because the city or town would have received a tax revenue distribution of less than .75% of the taxable sales within the boundaries of the city or town but for Subsection 59-12-205(4)(a), the city or town]~~ the legislative body of an eligible city or town may impose a sales and use tax of up to .20% on the transactions:

- (i) described in Subsection 59-12-103(1); and
- (ii) within the city or town.

~~[(b)] (c)~~ A city or town legislative body that imposes a tax under Subsection (1)~~[(a)](b)~~ shall expend the revenue collected from the tax for the same purposes for which the city or town may expend the city's or town's general fund revenue.

~~[(c)] (d)~~ For purposes of this Subsection (1), the location of a transaction shall be determined in accordance with Sections 59-12-211 through 59-12-215.

(2) (a) A city or town legislative body may not impose a tax under this section on:

- (i) the sales and uses described in Section 59-12-104 to the extent the sales and uses are exempt from taxation under Section 59-12-104; and
- (ii) except as provided in Subsection (2)(b), amounts paid or charged for food and food ingredients.

(b) A city or town legislative body imposing a tax under this section shall impose the tax on the purchase price or sales price for amounts paid or charged for food and food ingredients if the food and food ingredients are sold as part of a bundled transaction attributable to food and food ingredients and tangible personal property other than food and food ingredients.

~~[(3) (a) Beginning on January 1, 2009, and ending on June 30, 2016, to impose a tax under this part, a city or town legislative body shall obtain approval from a majority of the~~

1148 ~~members of the city or town legislative body.]~~

1149 ~~[(b) If, on June 30, 2016, a city or town is not imposing a tax under this part, the city or~~
1150 ~~town legislative body may not impose a tax under this part beginning on or after July 1, 2016.]~~

1151 ~~[(c) (i) If, on June 30, 2016, a city or town imposes a tax under this part, the city or~~
1152 ~~town shall repeal the tax on July 1, 2016, unless, on or after July 1, 2012, but on or before~~
1153 ~~March 31, 2016, the city or town legislative body obtains approval from a majority vote of the~~
1154 ~~members of the city or town legislative body to continue to impose the tax.]]~~

1155 ~~[(ii) If a city or town obtains approval under Subsection (3)(c)(i) from a majority vote~~
1156 ~~of the members of the city or town legislative body to continue to impose a tax under this part~~
1157 ~~on or after July 1, 2016, the]~~

1158 (3) An eligible city or town may impose ~~[the]~~ a tax under this part until no later than
1159 June 30, 2030.

1160 (4) The commission shall transmit revenue collected within a city or town from a tax
1161 under this part:

1162 (a) to the city or town legislative body;

1163 (b) monthly; and

1164 (c) by electronic funds transfer.

1165 (5) (a) Except as provided in Subsection (5)(b), the commission shall administer,
1166 collect, and enforce a tax under this part in accordance with:

1167 (i) the same procedures used to administer, collect, and enforce the tax under:

1168 (A) Part 1, Tax Collection; or

1169 (B) Part 2, Local Sales and Use Tax Act; and

1170 (ii) Chapter 1, General Taxation Policies.

1171 (b) A tax under this part is not subject to Subsections 59-12-205(2) through ~~[(7)]~~ (5).

1172 (6) The commission shall retain and deposit an administrative charge in accordance
1173 with Section 59-1-306 from the revenue the commission collects from a tax under this part.

1174 (7) (a) (i) Except as provided in Subsection (7)(b) or (c), if, on or after January 1, 2009,
1175 a city or town enacts or repeals a tax or changes the rate of a tax under this part, the enactment,
1176 repeal, or change shall take effect:

1177 (A) on the first day of a calendar quarter; and

1178 (B) after a 90-day period beginning on the date the commission receives notice meeting

1179 the requirements of Subsection (7)(a)(i) from the city or town.

1180 (ii) The notice described in Subsection (7)(a)(i)(B) shall state:

1181 (A) that the city or town will enact or repeal a tax or change the rate of the tax under

1182 this part;

1183 (B) the statutory authority for the tax described in Subsection (7)(a)(ii)(A);

1184 (C) the effective date of the tax described in Subsection (7)(a)(ii)(A); and

1185 (D) if the city or town enacts the tax or changes the rate of the tax described in

1186 Subsection (7)(a)(ii)(A), the rate of the tax.

1187 (b) (i) If the billing period for a transaction begins before the enactment of the tax or

1188 the tax rate increase under Subsection (1), the enactment of the tax or the tax rate increase takes

1189 effect on the first day of the first billing period that begins on or after the effective date of the

1190 enactment of the tax or the tax rate increase.

1191 (ii) If the billing period for a transaction begins before the effective date of the repeal

1192 of the tax or the tax rate decrease imposed under Subsection (1), the repeal of the tax or the tax

1193 rate decrease applies to a billing period if the billing statement for the billing period is rendered

1194 on or after the effective date of the repeal of the tax or the tax rate decrease.

1195 (c) (i) If a tax due under this part on a catalogue sale is computed on the basis of sales

1196 and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of a tax

1197 described in Subsection (7)(a)(i) takes effect:

1198 (A) on the first day of a calendar quarter; and

1199 (B) beginning 60 days after the effective date of the enactment, repeal, or change in the

1200 rate of the tax under Subsection (7)(a)(i).

1201 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

1202 commission may by rule define the term "catalogue sale."

1203 (d) (i) Except as provided in Subsection (7)(e) or (f), if, for an annexation that occurs

1204 on or after January 1, 2009, the annexation will result in the enactment, repeal, or change in the

1205 rate of a tax under this part for an annexing area, the enactment, repeal, or change shall take

1206 effect:

1207 (A) on the first day of a calendar quarter; and

1208 (B) after a 90-day period beginning on the date the commission receives notice meeting

1209 the requirements of Subsection (7)(d)(ii) from the city or town that annexes the annexing area.

1210 (ii) The notice described in Subsection (7)(d)(i)(B) shall state:

1211 (A) that the annexation described in Subsection (7)(d)(i)(B) will result in the

1212 enactment, repeal, or change in the rate of a tax under this part for the annexing area;

1213 (B) the statutory authority for the tax described in Subsection (7)(d)(ii)(A);

1214 (C) the effective date of the tax described in Subsection (7)(d)(ii)(A); and

1215 (D) if the city or town enacts the tax or changes the rate of the tax described in

1216 Subsection (7)(d)(ii)(A), the rate of the tax.

1217 (e) (i) If the billing period for a transaction begins before the effective date of the

1218 enactment of the tax or a tax rate increase under Subsection (1), the enactment of a tax or a tax

1219 rate increase takes effect on the first day of the first billing period that begins on or after the

1220 effective date of the enactment of the tax or the tax rate increase.

1221 (ii) If the billing period for a transaction begins before the effective date of the repeal

1222 of the tax or the tax rate decrease imposed under Subsection (1), the repeal of the tax or the tax

1223 rate decrease applies to a billing period if the billing statement for the billing period is rendered

1224 on or after the effective date of the repeal of the tax or the tax rate decrease.

1225 (f) (i) If a tax due under this part on a catalogue sale is computed on the basis of sales

1226 and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of a tax

1227 described in Subsection (7)(d)(i) takes effect:

1228 (A) on the first day of a calendar quarter; and

1229 (B) beginning 60 days after the effective date of the enactment, repeal, or change under

1230 Subsection (7)(d)(i).

1231 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

1232 commission may by rule define the term "catalogue sale."

1233 Section 13. Section **59-12-2206** is amended to read:

1234 **59-12-2206. Administration, collection, and enforcement of a sales and use tax**

1235 **under this part -- Transmission of revenue monthly by electronic funds transfer --**

1236 **Transfer of revenue to a public transit district or eligible political subdivision.**

1237 (1) Except as provided in Subsection (2), the commission shall administer, collect, and

1238 enforce a sales and use tax imposed under this part.

1239 (2) The commission shall administer, collect, and enforce a sales and use tax imposed

1240 under this part in accordance with:

1241 (a) the same procedures used to administer, collect, and enforce a tax under:
1242 (i) Part 1, Tax Collection; or
1243 (ii) Part 2, Local Sales and Use Tax Act; and
1244 (b) Chapter 1, General Taxation Policies.
1245 (3) A sales and use tax under this part is not subject to Subsections 59-12-205(2)
1246 through ~~(7)~~ (5).
1247 (4) Subject to Section 59-12-2207 and except as provided in Subsection (5) or another
1248 provision of this part, the state treasurer shall transmit revenue collected within a county, city,
1249 or town from a sales and use tax under this part to the county, city, or town legislative body
1250 monthly by electronic funds transfer.
1251 (5) (a) Subject to Section 59-12-2207, and except as provided in Subsection (5)(b), the
1252 state treasurer shall transfer revenue collected within a county, city, or town from a sales and
1253 use tax under this part directly to a public transit district organized under Title 17B, Chapter 2a,
1254 Part 8, Public Transit District Act, or an eligible political subdivision as defined in Section
1255 59-12-2219, if the county, city, or town legislative body:
1256 (i) provides written notice to the commission and the state treasurer requesting the
1257 transfer; and
1258 (ii) designates the public transit district or eligible political subdivision to which the
1259 county, city, or town legislative body requests the state treasurer to transfer the revenue.
1260 (b) The commission shall transmit a portion of the revenue collected within a county,
1261 city, or town from a sales and use tax under this part that would be transferred to a public
1262 transit district or an eligible political subdivision under Subsection (5)(a) to the county, city, or
1263 town to fund public transit fixed guideway safety oversight under Section 72-1-214 if the
1264 county, city, or town legislative body:
1265 (i) provides written notice to the commission and the state treasurer requesting the
1266 transfer; and
1267 (ii) specifies the amount of revenue required to be transmitted to the county, city, or
1268 town.